

Downtown St. Louis Community Improvement District, Inc
Executive Summary
For the Month and Eight-Month Period Ended February 29, 2020

Statement of Activities and Changes in Net Assets

Revenues

Revenues for the one-month period ending February 29, 2020 totaled \$249K as compared to a budget of \$213K, reflecting a favorable variance of \$36K for the month. Revenues for the first eight months of FY2020 were \$2.348M, \$143K more than budgeted revenues of \$2.205M.

CID Assessments are received in advance of the services provided and recorded as “Deferred CID Revenue” on the Statement of Financial Position. CID Assessment Revenue is recognized as CID expenses are incurred, offset by Carryforward Usage, Fees and Interest. CID Assessment Revenue was higher than budget by \$46K for the month of February, and \$31K for the year-to-date period.

Carryforward Usage revenues are related to prior years’ CID assessments. For the month of December \$125K was incurred for 7th Street Streetscape project (\$100K) and LightMySTL (\$25K). Another \$13K was incurred earlier in the year for Laclede’s Landing projects. No additional amounts were incurred in February, resulting in an unfavorable variance of \$8K for the month. The December charges resulted in a favorable variance of \$73K year-to-date.

Payment in Lieu of CID was \$1K for the month of February, and \$10K year-to-date, representing an unfavorable variance to budget of \$2K and \$18K, respectively. The amount received through February 2020 funds received from St Louis Custom House regarding the Old Post Office. The budget mistakenly over budgeted the payments from the Old Post Office, therefore revenue is anticipated to be below budget for the remainder of the year.

Other Income, Net is \$500 for February, and \$53K year-to-date. This amount primarily represents income for work performed at 600 Washington.

Expenses

Total Expenses for February totaled \$248K and \$2.3 million for the year-to-date period as compared to budgeted expenses of \$213K and \$2.2 million, respectively. See below for detailed explanation of the expense categories.

Security expenses were \$56K and \$550K for the month and year-to-date February, respectively, representing an unfavorable variance of \$6K for the month, and a favorable variance of \$13K for the year, as compared to budget. In December, the CID contributed \$100K for the LightMySTL project. Of this amount, \$75K was allocated to the security budget. The security budget had anticipated this contribution, but later in the year. The year-to-date variance is due to lower than anticipated supplemental security with The City’s Finest, partially offset by the LightMySTL contribution. While supplemental security spending has been behind budget, there are higher costs anticipated for later in the year as the weather warms.

Maintenance expenses were \$12K lower than the budget of \$75K for the month of February. Year-to-date costs were \$21K lower than the budget of \$632K. The favorable variance for the month is due to lower costs associated with the SFP contract. The year-to-date positive variance is due deferral of costs associated with tree planting and SFP Landscaping contract until the Spring. Expenses are anticipated to be on budget for the year.

Economic Development expense of \$21K for the month of February is favorable to budget for the month by \$8K. This variance is primarily because of the lack of expenditures by Laclede Landing related to Economic Development for the month. Additionally, Economic Development expense of \$310K year-to-date was favorable to budget by \$12K for the year-to-date. The year to date variance primarily reflects the loss of staff earlier in the year that was budgeted to Economic Development.

Marketing and Special Events expenses were \$38K higher than the budgeted amount of \$40K in February. Year-to-date costs were \$33K higher than the budget of \$371K. The unfavorable variances for the month and year-to-date are primarily attributed the increased costs associated with the marketing agreement with a new marketing firm, that was not factored into the budget.

Administrative expenses were \$19K for the month of February, which was \$1.5K lower than the budgeted amount of \$17.5K. Year-to-date February expenses were \$191K, which is \$39K higher than budgeted. Expenses year-to-date were mainly higher due to audit related costs, legal fees, and consulting expenses paid to the former Director of Economic Development.

CID 2022 expenses were \$12K for the month and \$111K year-to-date February, which represents spending for the new CID in 2022. This was not included in the budget, and funds are being used from the prior years' unused assessment revenue.

There were no opportunity fund expenses for the month, while there have been \$139K year-to-date. The December spending relates to a contribution for the 7th Street Streetscape project (\$100K) and LightMySTL project (\$25K of the \$100K contribution noted above). The remaining costs incurred to date relate to Laclede Landing projects. There is \$25K in remaining unearmarked opportunity costs.

Change in Net Assets

Since CID activity is a breakeven even (revenue is recognized as expenses occur), the change in net assets for the month represents Non-CID activity of interest income and the three percent charge to Riverside/Laclede's Landing for the supplemental security agreement with the CID.

Statement of Financial Position

CID Assessment Receivable represents assessments not yet received by the City's Collector of Revenue office and therefore not distributed to the CID. The current balance is \$443K, primarily representing the assessments due the CID for calendar year 2020.

Deferred CID Assessment Revenue represents CID assessments assessed (includes money received and still receivable) but not yet recognized as revenue. The balance as of February 29, 2020 for all prior years' Deferred CID Assessment Revenue is \$.5M, with remaining Deferred CID Assessment for 2020 at \$2.8 M.

**Downtown St. Louis Community Improvement District
Statement of Financial Position**

	2/29/2020	6/30/2019
Assets		
Current Assets		
Cash and Cash Equivalents	\$ 3,290,812.37	\$ 2,309,446.98
CID Assessment Receivable	443,239.39	256,425.46
Other Receivables	22,226.57	11,210.00
Prepaid Expense	4,896.27	5,691.89
Total Current Assets	3,761,174.60	2,582,774.33
Equipment, net	28,498.78	37,136.14
Total Assets	\$ 3,789,673.38	\$ 2,619,910.47
 Liabilities		
Accounts Payable	\$ 64,124.40	\$ 200,721.91
Due to Downtown STL, Inc.	146,594.24	25,303.48
Other Current Liabilities	23,662.44	3,175.00
Deferred CID Revenue - Prior Years	454,181.71	459,114.66
Deferred CID Revenue - 2019	82,385.85	1,780,577.27
Deferred CID Revenue - Current Year	2,834,679.81	-
Other Deferred Revenue	1,250.00	-
Total Current Liabilities	3,606,878.45	2,468,892.32
Other Long-Term Liabilities	690.00	550.00
 Net Assets		
Equity	150,468.15	148,837.02
Change in Net Assets	31,636.78	1,631.13
Total Net Assets	182,104.93	150,468.15
 Total Liabilities and Net Assets	\$ 3,789,673.38	\$ 2,619,910.47

These financial statements have not been subjected to an audit, review, or compilation engagement, and no assurance is provided on them. All Disclosures Required by GAAP Omitted.

Downtown St. Louis Community Improvement District, Inc.
Statement of Activities and Changes in Net Assets
For the Month Ended February 29, 2020

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
Revenues:			
CID Assessment	\$ 246,315.03	\$ 200,058.74	\$ 46,256.29
Carryforward Usage	61.00	8,333.33	(8,272.33)
Payment in lieu of CID	1,250.00	3,494.08	(2,244.08)
Interest Income	536.82	625.00	(88.18)
Other, net	518.85	-	518.85
	<u>248,681.70</u>	<u>212,511.15</u>	<u>36,170.55</u>
Expenses:			
Security	56,018.79	50,489.93	(5,528.86)
Maintenance	62,840.55	74,914.86	12,074.31
Economic Development	20,665.16	29,070.71	8,405.55
Marketing and Special Events	77,529.01	40,018.62	(37,510.39)
Administrative	19,315.56	17,617.03	(1,698.53)
CID 2022	11,707.81	-	(11,707.81)
Opportunity Fund	61.00	400.00	339.00
	<u>248,137.88</u>	<u>212,511.15</u>	<u>(35,626.73)</u>
Change in Net Assets	543.82	0.00	543.82
Net Assets, Beginning of Period	181,561.11	161,156.02	20,405.09
	<u>181,561.11</u>	<u>161,156.02</u>	<u>20,405.09</u>
Net Assets, End of Period	<u>\$ 182,104.93</u>	<u>\$ 161,156.02</u>	<u>\$ 20,948.91</u>
CID Contracted Expenses with Downtown STL, Inc.			
Security Personnel	\$ 15,981.01	\$ 17,121.36	\$ 1,140.35
Maintenance Personnel	49,029.23	11,068.18	(37,961.04)
Economic Development Personnel	18,676.61	18,654.05	(22.56)
Marketing and Special Events Personnel	11,906.62	13,311.63	1,405.01
Administration	59,111.26	12,617.03	(46,494.24)
	<u>\$ 154,704.73</u>	<u>\$ 72,772.25</u>	<u>\$ (81,932.48)</u>

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Downtown St. Louis Community Improvement District, Inc.
Statement of Activities and Changes in Net Assets
For the Eight Months Ending February 29, 2020

	<u>YTD February</u>	<u>YTD Budget</u>	<u>YTD Variance</u>	<u>Annual Budget</u>
Revenues:				
CID Assessment	\$ 2,136,690.62	\$ 2,105,719.00	\$ 30,971.62	\$ 3,371,500.93
Carryforward Usage	139,335.50	66,666.66	72,668.84	100,000.00
Payment in lieu of CID	10,000.00	27,952.67	(17,952.67)	41,929.00
Interest Income	8,805.64	5,000.00	3,805.64	7,500.00
Other, net	53,298.50	-	53,298.50	-
Total Revenue	2,348,130.26	2,205,338.33	142,791.93	3,520,929.93
Expenses:				
Security	549,664.99	562,828.50	13,163.51	1,144,884.22
Maintenance	610,605.91	632,014.88	21,408.97	974,316.32
Economic Development	310,115.30	322,498.69	12,383.39	464,448.55
Marketing and Special Events	404,528.73	371,359.98	(33,168.75)	538,376.48
Administrative	191,413.79	152,236.25	(39,177.54)	226,904.36
CID 2022	110,829.26	-	(110,829.26)	-
Opportunity Fund	139,335.50	164,400.00	25,064.50	172,000.00
Total Expenses	2,316,493.48	2,205,338.30	(111,155.18)	3,520,929.93
Change in Net Assets	31,636.78	0.03	31,636.75	(0.00)
Net Assets, Beginning of Period	150,468.15	161,156.02	(10,687.87)	161,156.02
Net Assets, End of Period	\$ 182,104.93	\$ 161,156.05	\$ 20,948.88	\$ 161,156.02
 CID Contracted Expenses with Downtown STL, Inc.				
Security Personnel	\$ 139,246.31	\$ 136,970.86	\$ (2,275.46)	\$ 205,456.29
Maintenance Personnel	411,857.58	88,545.48	(323,312.10)	132,818.22
Economic Development Personnel	152,909.26	149,232.41	(3,676.85)	223,848.62
Marketing and Special Events Personnel	102,390.24	106,493.02	4,102.78	159,739.53
Non-personnel Shared Expenses	241,885.32	100,936.23	(140,949.09)	151,404.35
	\$ 1,048,288.71	\$ 582,178.00	\$ (466,110.71)	\$ 873,267.00

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Downtown St. Louis Community Improvement District
Statement of Cash Flows
For the Month and Eight Months Ending February 29, 2020

	<u>For the Month Ending 2/29/2020</u>	<u>For the Eight Months Ending 2/29/2020</u>
Cash Flows from Operating Activities		
Change in Unrestricted Net Assets	\$ 543.82	\$ 31,636.78
Adjustments to reconcile the Change in Unrestricted Net Assets to Net Cash used by operations:		
Noncash charges and credits:		
Depreciation and Amortization	1,079.67	8,637.36
Change in Operating Assets:		
Decrease/(Increase) in Accounts Receivable	25,292.10	(11,016.57)
Decrease/(Increase) in CID Assessment Receivable	109,574.27	(186,813.93)
(Increase)/Decrease in Due to/from Community Improvement District	(8,436.52)	121,290.76
Decrease in Prepaid Expense	238.33	795.62
Change in Operating Liabilities:		
(Decrease) in Accounts Payable	(112,204.14)	(136,597.51)
(Decrease)/Increase in Deferred Non-CID Assessment Revenue	(1,250.00)	1,250.00
(Decrease)/Increase in Deferred CID Assessment Revenue	(248,584.77)	1,131,555.44
Increase in Accrued Expenses	165.00	20,627.44
Total Net Cash used by operations	<u>(233,582.24)</u>	<u>981,365.39</u>
Cash at beginning of period	<u>3,524,394.61</u>	<u>2,309,446.98</u>
Cash at end of period	<u><u>\$ 3,290,812.37</u></u>	<u><u>\$ 3,290,812.37</u></u>

Downtown Community Improvement District, Inc
Analysis of Budgeted Expenses
For the Month Ended February 29, 2020
(in thousands)

Budgeted Expenses	\$ 213
2022 CID expenses	12
Lower Laclede Landing expenses as reimbursements have not been submitted for CY 2020	(10)
Higher Marketing expenses due to acceleration of costs in February	37
Other, net	(4)
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Actual Expenses	<u><u>\$ 248</u></u>

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Downtown Community Improvement District, Inc.
Analysis of Budgeted Expenses
For the Eight Months Ending February 29, 2020
(in thousands)

Budgeted Expenses	\$	2,205
Acceleration of payment for LightMySTL contribution that was budgeted for later in the year		100
Acceleration of payment for 7th Street Streetscape contribution that was budgeted for later in the year		100
CID 2022 costs		111
Lower Laclede Landing Expenses than budgeted		(10)
Lower supplemental security deferred until later in the year		(121)
Lower maintenance costs due to deferral of tree planting and costs associated with SFP contract until Spring		(10)
Deferred unearmarked opportunity costs		(25)
Higher Marketing expenses than budgeted due to acceleration of costs in February		33
Other, net		(67)

Actual Expenses	\$	<u>2,316</u>